



C.L. "BUTCH" OTTER, GOVERNOR
ROGER B. MADSEN, DIRECTOR

WIAB 08-09

DATE: March 31, 2010
TO: All WIA Subrecipients
FROM: Dwight A. Johnson, Administrator, Employment and Training
SUBJECT: Fringe Benefit Rate Increase to 12.4%

A handwritten signature in black ink, appearing to be "D. Johnson", written over the "FROM:" line of the memo.

Background:

Each year, Idaho Department of Labor accounting staff receives a billing from the Industrial Commission adjusting workers' compensation rates for the prior year. The billing also provides information to establish a rate for current year payments.

For calendar year 2009, WIA workers' compensation rates went up substantially from 2.35% to 4.75%. Consequently, this causes the fringe benefit rate to increase as well for this year from 10% to 12.4%. This fringe rate is effective immediately.

Calculating Fringe:

When calculating WIA participant obligation amounts for pay activities, such as work experience and internships, the new fringe rate of 12.4% must be utilized. The hourly pay rate would equate to ***\$8.15** for participants enrolled in a pay activity at minimum wage. See example below.

Example:

$\$7.25 \times .124 = .90$ (round up) $\$7.25 + .90 = \8.15

Questions:

If you have any questions, please contact your regional liaison.